

MINUTES OF MEETING OF THE CORPORATIONS COMMITTEE

Friday, January 4, 2008

A regular meeting of the Corporations Committee (the "Committee") of the Business Law Section of the State Bar of California was held in Los Angeles, California and San Francisco, California and the law firm of Manatt, Phelps & Phillips, LLP on Friday, January 4, 2008. Attendance was as follows:

MEMBERS PRESENT:

W. Derrick Britt
Nelson Crandall
Edward A. Deibert
Christopher Delfino*
Samuel C. Dibble
Sharon R. Flanagan
Michael I. Froch
Bryan Gadol
Steven Harmon
Jeffrey Hartlin
Nina Hong*
Barbara Mathews
Mike Occhiolini
Charles Ortmeyer
Jennifer Sostrin
James J. Thompson
Russ Wood

MEMBERS ABSENT:

Richard Burt
Bruce Deming
David Hernand
Anne Marie Peters
David Serepca
Rose Sorensen

LIAISONS AND GUESTS PRESENT:

Eric Van Ginkel, Chair of the ADR Committee
Steven Hazen, Executive Committee
Stewart McDowell, Executive Committee

*Via Telephone

The minutes summarize discussion primarily in the order items were listed on the Agenda for the meeting previously circulated to members of the Committee, which is not necessarily the order in which the items were actually taken up at the meeting. The Committee did not take up those topics listed on the Agenda that are not described in these minutes.

I. ADMINISTRATIVE MATTERS

1. Opening Remarks and announcements: The meeting was called to order by Co-Chair Ms. Mathews at 9:30 a.m. All members, liaisons and guests introduced themselves.
2. Approval of Minutes: Minutes of the December 6, 2007 meeting approved, with minor comments.

II. AGENCY AND LIAISON'S REPORTS

1. Securities and Exchange Commission: No report.
2. Department of Corporations: No report.
3. Secretary of State: No report.
4. Office of Governmental Affairs: No report.
5. BLS Committee Liaison Reports: No report.

A. ADR: Mr. Harmon and Mr. Van Ginkel reported. Business ADR Committee focuses on business related issues of alternative dispute resolution. The ADR Committee is in the process of drafting ADR guide to enable, in part, practitioners to draft an ADR clause. Multiple programs suggested for upcoming State Bar annual meeting and/or webinars. Looking to coordinate programs/presentations with Committee. Discussed dispute review board which is created by contract, among other topics.

B. Cyberspace Law: No report.

C. Financial Institutions: Mr. Occhiolini reported on December 11 meeting.

D. Non-Profit Corporations: Mr. Hartlin reported that there is no update. Next meeting scheduled to occur on January 29.

E. Partnerships and LLCs: Ms. Flanagan reported that there is no update. She will attend next week's meeting.

F. UCC: Mr. Ortmeier reported that he will be attending next Tuesday's meeting.

G. Agribusiness: Mr. Wood reported that the Agribusiness meetings are concurrent with the Committee's meeting and will report on the Agribusiness officer's calls in lieu of such meetings going forward.

H. Insolvency: No report.

I. Executive Committee: Mr. Hazen reported. Executive Committee met last month and next meeting is at SEI (Section Education Institute) in San Diego. Discussed toolkit and involvement of members of the legislative subcommittee. Encouraged members to solicit future Committee applicants.

III. SUBCOMMITTEE REPORTS

1. Legislation: Mr. Britt reported.

A. ALP re Code 1501 to facilitate e-proxies: Committee is currently looking for a sponsor.

B. Potential ALP re: 301.5 and 25219: Motion approved unanimously to delegate to subcommittee authority to finalize a comment letter in respect of technical amendments to the Code and to take all actions necessary to submit such comment letter.

C. Potential ALP re: Close Corporations: In process.

D. Potential ALP re Householding: In process.

E. Potential ALP re Spousal Consent: Discussed.

F. Potential ALP re Section 1101: Mr. Dibble's article was accepted by the BLN.

G. Legislation Update: Mr. Britt nominated Bryan Gadol and Jeff Hartlin to work on corporation regulation clean-up comments letter. Mr. Gadol and Mr. Hartlin accepted such nomination. Mr. Britt discussed legislative update schedule posted to the Hummingbird site. Discussion regarding SB 294 (corporate disclosure statements).

H. SB 1007: No report.

I. Other: Mr. Hazen to circulate materials concerning recent Delaware legislation re SEC certification to Delaware Supreme Court.

2. Communications/ Website: Mr. Deibert reported.

A. Hummingbird Collaboration Site: Two previously training sessions have occurred. If additional training sessions are required, contact Mr. Deibert.

(i) Organization of Materials: Request that separate folder be created for ongoing projects/ working materials.

B. Website Committee: Meeting to be scheduled.

C. E-Bulletin Topics: Meeting to be scheduled.

(i) Misleading Minute Service: No report.

(ii) E-Proxy ALP: Hold off until sponsor identified.

(iii) Comment Letters to Department of Corporations: Hold off until further developments.

(iv) S. 186 Comment Letter on Attorney-Client Privilege: Chris Delfino volunteered.

(v) Secretary of State Counter Rules:

3. Education/ Publications: Mr. Dibble reported.

A. Education Subcommittee: Plans to meet.

B. Webinars: Pam Phillips will be providing a seminar on legal ethics issues for San Francisco state bar association. We will coordinate with Ms. Phillips for a similar webinar for the Committee.

C. Annual Meeting Program Topics (due 1/24/08): Mr. Dibble encouraged members to volunteer to present at the Annual Meeting. Discussed list posted on Hummingbird site, which includes (1) Recent Developments on California Corporations Law, (2) Jurisdictional Differences in Corporate Governance Standards, (3) California Mergers & Acquisitions Seminar and (4) California Close Corporations Program. Mr. Gadol volunteered for topic (3). Mr. Dibble volunteered for topic (1). Mr. Hazen volunteered for topic (2) if there are no other volunteers. Mr. Wood volunteered for topic (4) described above and will confirm that Mr. Serepca is available as well. Motion approved to delegate to subcommittee tasks of topic submissions to State Bar, as well as related matters incident to Annual Meeting.

D. Other Program Topics:

E. BLN Legislative Review Article (due 1/15/08):

4. Corporate Law Report: Mr. Ortmeyer reported that although there is nothing new to report, he will move this effort forward.

5. Litigation: Mr. Ortmeyer reported concerning MAC clauses and related caselaw. In particular, Mr. Ortmeyer discussed the specifics of Genesco v. The Finish Line, among other cases. Mr. Hazen reported on two other cases.

IV. ONGOING PROJECTS:

1. Section 2115 Project: Mr. Britt reported that we should have a decision in March.

2. Business Entity Name Issues: Mr. Thompson reported about Ms. Mathews and his discussion with Todd Vlaanderen of the Secretary of State regarding the Secretary of State's thoughts on our comment letter. Many changes were not accepted. Short summary to be prepared regarding feedback received to date from the Secretary of State.

3. Privilege Issues:

A. ABA Task Force on Attorney Client Privilege: Mr. Froch reported. Next meeting scheduled to occur on January 24. Mr. Froch and Mr. Hazen will both participate at such meeting, although Mr. Hazen will attend in person. Ms. Mathews solicited volunteers to serve on task force.

B. Comment Letter on S. 186: Mr. Wood reported that there is nothing to report.

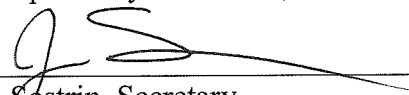
C. Progress on S. 186 and Rule 502: Mr. Wood reported that there is nothing to report. Mr. Hazen indicated that there was a hearing on Rule 502 before the Senate Judiciary Committee.

D. Office of Rural Legal Assistance: No update.

V. New Business:

1. Process for getting BLS and Board of Governors approval: Mr. Delfino reported. This topic will be covered further, upon our receipt of the toolkit.

Respectfully Submitted,


J. Sostrin, Secretary